

## Message Text

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ACTION ACDA-12

INFO OCT-01 EUR-12 ISO-00 EB-08 OES-07 XMB-02 CIAE-00  
INR-10 IO-13 L-03 NSAE-00 NSC-05 NRC-05 SOE-02  
DODE-00 DOE-11 SS-15 SP-02 CEQ-01 PM-05 /114 W  
-----106909 040245Z /62

R 031732Z MAR 78  
FM AMEMBASSY LISBON  
TO SECSTATE WASHDC 4930

C O N F I D E N T I A L LISBON 1604

E.O. 11652: GDS  
TAGS: ENRG, PARM, PO, TECH  
SUBJECT: PORTUGAL'S NUCLEAR PROGRAM

REFS: (A) STATE 51656, (B) STATE 49832, (C) LISBON 615

BEGIN SUMMARY: GOP WILL PROBABLY APPROACH U.S. AND OTHER  
GOVERNMENTS SOON TO ELICIT SUPPORT FOR PORTUGUESE NUCLEAR ENERGY  
PROGRAM. EXTERNAL FINANCING AVAILABILITY WILL BE CRITICAL  
ELEMENT IN EVENTUAL AWARD OF CONTRACT. END SUMMARY.

1. DURING CONVERSATION FEB 28 ON SEPARATE SUBJECT, EDP CO-  
MANAGER VIDEIRA TOLD EMBOFX GOP WILL LIKELY APPROACH USG AND  
SEVERAL EUROPEAN GOVERNMENTS IN NEAR FUTURE TO ELICIT SUPPORT  
FOR PORTUGAL'S NUCLEAR ENERGY PROGRAM. VIDEIRA BASED HIS  
STATEMENT ON ASSUPTION THAT THE ASSEMBLY, IN NEXT FEW MONTHS,  
WILL APPROVE GOP'S NUCLEAR PROPOSALS.

2. REACHING A NUCLEAR DECISION: IN RESPONSE TO QUERY, VIDEIRA  
TOLD EMBOFF THAT CURRENT GOVERNMENT PROGRAM DOES NOT COMMIT  
GOP TO SUBMIT ITS NUCLEAR POLICY PROPOSALS FOR ASSEMBLY  
DEBATE. PRESENT THINKING IS, HOWEVER, THAT UNILATERAL GOP  
DECISION TO PROCEED WITHOUT ASSEMBLY'S PRIOR BLESSING  
ENTAILS EXCESSIVE POLITICAL RISK. ISSUE IS, THEREFORE,  
LIKELY TO GO TO ASSEMBLY IN COMING WEEKS, GENERAL POLITICAL  
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DEVELOPMENTS PERMITTING.

3. ALIGNMENT OF FORCES: IN VIDEIRA'S VIEW, CDS WILL  
ACTIVELY SUPPORT NUCLEAR DEVELOPMENT. SOME DISAGREEMENT  
EXISTS WITHIN PS RANKS, BUT GENERAL ATTITUDE IS FAVORABLE.  
PSD MAY SEEK TO USE ISSUE TO PARTISAN ADVANTAGE, BUT HOPE-  
FULLY WOULD NOT SEEK TO BLOCK FAVORABLE ASSEMBLY DECISION.

FAR LEFT WILL CAUSE TROUBLE. VIDEIRA IS CAUTIOUSLY OPTIMISTIC THAT ULTIMATE DECISION WILL BE PRO-NUCLEAR, AS MOST CONCERNED OBSERVERS AGREE THAT PORTUGAL LACKS ECONOMICALLY ATTRACTIVE ALTERNATIVES.

4. AVAILABILITY OF EXTERNAL FINANCING CRUCIAL: GOP WILL USE SEVERAL CRITERIA TO EVALUATE PROPOSALS FROM POTENTIAL SUPPLIERS, INCLUDING: (A) PROVEN RELIABILITY OF TECHNOLOGY PROPOSED; (B) COST; (C) DEGREE OF LOCAL INDUSTRY PARTICIPATION; (D) AVAILABILITY OF EXTERNAL FINANCING. VIDEIRA STRESSED THAT GOP WILL ATTRIBUTE GREAT WEIGHT TO EXTERNAL FINANCING ASPECT BECAUSE OF PORTUGAL'S LIMITED RESOURCES AND CONSEQUENT NEED TO MITIGATE PROGRAM'S NEAR TERM BALANCE OF PAYMENTS IMPACT. VIDEIRA INDICATED THAT SUPPLIERS OF THE FIRST NUCLEAR UNIT WILL HAVE CONSIDERABLE EDGE OVER COMPETITORS FOR CONSTRUCTION OF SUBSEQUENT UNITS.

5. COMMENT: EMBOFF ASSURED VIDEIRA OF KEEN U.S. SUPPLIER INTEREST IN PORTUGAL'S NUCLEAR PROGRAM. HOWEVER, IN VIEW OF STATE REFTELS, HE NEITHER ENCOURAGED NOR DISCOURAGED VIDEIRA CONCERNING PROSPECTS FOR U.S. FINANCING.

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## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NUCLEAR ENERGY, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 03 mar 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Executive Order:** GS  
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**Type:** TE  
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